City of Lafayette Staff Report

For:	City Council
By:	Niroop K. Srivatsa
Date Written:	June 16, 2008
Meeting Date:	June 23, 2008
Subject:	Extension of the Cooperation Agreement with Contra Costa County to administer the Community Development Block Grant (CDBG) and the HOME Investment Partnership Act (HOME) programs for Lafayette

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Background

In 1993, the City of Lafayette entered into a Cooperation Agreement with Contra Costa County for participation as an Urban County in the U.S. Department of Housing and Urban Development's Community Development Block Grant (CDBG) and the HOME Investment Partnership Act (HOME) programs. The purpose of the Community Development Block Grant (CDBG) Program is to develop viable urban communities by providing decent housing, a suitable living environment and expanded economic opportunities principally for persons of low income. The purpose of the HOME Program is to expand the supply of decent, safe, sanitary, and affordable housing for very-low and low-income households.

The Cooperation Agreement was extended by the City to cover subsequent qualification periods from 1996 to date. The last amendment to the agreement included a provision that automatically extends the agreement unless the County or a city provides written notice that it elects not to participate in the new qualification period. Jim Kennedy, the County's Redevelopment Director, has notified Lafayette that the County will be re-qualifying for the next three year qualification period and seeks our continued participation in the CDBG and HOME programs.

Staff Comments

The CDBG and HOME programs are valuable sources of funding for the construction of affordable housing. Lafayette has benefited from these programs twice in recent history. In July 2004, HUD approved $78,065 in HOME technical assistance funds to prepare the draft components of an inclusionary housing ordinance for both Lafayette and Contra Costa County. More recently, Eden Housing applied to the County for $3 million in CDBG and HOME funds for the Lafayette senior housing project. The County Board of Supervisors approved the arequest on April 27, 2008.

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Staff recommends that the City of Lafayette continue to participate in the CDBG and HOME programs through Contra Costa County.

Recommendation

Approve the extension of the Cooperation Agreement with Contra Costa and direct staff to notify the County.

Attachment

Second Amendment to the Cooperation Agreement

Second Amendment to Cooperation Agreement
Housing and Community Development Act 1974, As Amended
Community Development Block Grant Program
(County and City of Lafayette)

1. Parties & Date. Effective on July 13, 1999 , the COUNTY OF CONTRA COSTA, a political subdivision of the State of California, hereinafter referred to as the "County," and the INCORPORATED CITY OF LAFAYETTE , a municipal corporation of the State of California, and located within the boundaries of the County of Contra Costa, hereinafter referred to as "City," mutually agree and promise as follows:

2. Purpose. On July 13, 1993 the City and the County entered into a Cooperation Agreement for participation as an Urban County in the U.S. Department of Housing and Urban Development Community Development Block Grant and Home Investment Partnership Act programs. The First Amendment to the Cooperation Agreement was executed in July 1996 to update the qualification period from FY 1994-1995 through FY 1996-1997 to FY 1997-1998 through FY 1999-2000. The Second Amendment to the Agreement is again to update the qualification period of the Agreement for requalification for the next three year qualification period of FY 2000-2001, FY 2001-2002, and FY 2002-2003.

3. Amendment . Section 3, 10, 11, and 12 of the Cooperation Agreement, dated July 13, 1993, are hereby amended as follows:

Section 3 is deleted in its entirety and replaced with the following:

3. **Cooperation**. The City and County will cooperate in undertaking, or assisting in undertaking, community renewal and lower income housing activities, specifically urban renewal, community renewal and publicly assisted housing, hereinafter called "program" in fiscal years 2000-2001, 2001-2002, and 2002-2003 or the twenty-sixth, twenty-seventh, and twenty-eighth program years in compliance with the Consolidated Plan for community development objectives and projected use of funds, as submitted to the Federal Department of Housing and Urban Development (HUD) and as provided in this agreement. The County has the authority to carry out activities funded under this program, including any funded program from program income generated from the expenditure of such funds.

Section 10 is deleted in its entirety and replaced with the following:

10. **Fund Distribution**. The County shall distribute funds received under Title 1 of the Act for fiscal years 2000-2001, 2001-2002, and 2002-2003 or the twenty-sixth, twenty-seventh, and twenty- eighth program years for the undertaking of essential community development and housing assistance activities. The County shall distribute to the City funds received under said Act if essential community development and housing assistance activities are to be undertaken within the territorial limits of the City. The City and County under Section 24 CFR 570.503 of the program regulations are required to enter into a written agreement to implement activities prior to disbursement of any CDBG funds.

Section 11 is deleted in its entirety and replaced with the following:

11. **Effective and Termination Dates**. This agreement shall go into effect as of the date shown in Section 1 immediately upon signature of both parties and shall continue in full force and effect through the through the twenty-sixth, twenty-seventh, and twenty-eighth community development program years or fiscal years 2000-2001, 2001-2002, and 2002-2003 covered by the County's annual Action Plan of community development activities and projected use of funds and so long as the essential community development and housing assistance activities are being undertaken pursuant to this agreement.

This agreement will automatically be renewed for participation in successive three-year qualification periods, unless the County or the City provides written notice it elects not to participate in a new qualification period. A copy of the notice must be sent to the HUD Field Office. By the date specified in HUD's Urban County qualification notice for the next

qualification period, the County will notify the City in writing of its right to make such election. A copy of the County's notification will be sent to the HUD Field Office by the date specified in the Urban County Qualification Notice.

Failure by either party to adopt an amendment to the agreement incorporating all changes necessary to meet the requirements for cooperation agreements set forth in the Urban County Qualification Notice applicable for a subsequent three-year urban county qualification period, and to submit the amendment to HUD as provided in the Urban County Qualification Notice will void the automatic renewal of such qualification period.

This agreement remains in effect until the CDBG and HOME funds and income received with respect to the three-year qualification period (and any successive qualification periods which are automatically renewed) are expended and the funded activities completed, and the County and City may not terminate or withdraw from this agreement while this agreement remains in effect.

Section 12. Is deleted in its entirety and replaced with the following:

12. **Subsequent Years**. Nothing in this agreement shall be construed as requiring the City to provide the County with any information necessary for the preparation of a subsequent Statement of Community Development activities and projected use of funds for the twenty-ninth, thirtieth, and thirty-first program years. Should the County desire to qualify as an urban county for subsequent fiscal years, the City shall have the option of choosing whether to continue its participation with the County.

4. Original Cooperation Agreement. Except as amended above, the 8-13-93 Cooperation Agreement, Housing and Community Development Act 1994, As Amended, Community Development Block Grant Program remains in full force and effect.

County of Contra Costa

By _____
Chairman, Board of Supervisors

ATTEST: July 13, 1999
Phil Batchelor, CLERK
THE BOARD OF SUPERVISORS
AND COUNTY ADMINISTRATOR

By _____
Deputy Clerk

(Seal)

City of _____

Mayor _____

ATTEST: _____

By _____
City Clerk

(Seal)